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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 18, 2000

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

CASE NO. PUC960109

Ex Parte: In the matter of
investigating GTE South
Incorporated's status as a rural
telephone company pursuant to the
Telecommunications Act of 1996

ORDER TERMINATING RURAL EXEMPTION AND CLOSING CASE

On October 22, 1996, the Commission entered its Order on Rural Status and Denying Stay ("Order"), in which we found that the Southwest operating territory of GTE South Incorporated ("GTE South" or "Company") satisfied "the letter" of § 153(37)(C) of the Telecommunications Act of 1996 ("Act") and so "qualifies for the statutory rural exemption." The referenced statutory exemption excludes, for operation of certain obligations of the Act, any carrier that "provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines[.]"

The Order also advised that either GTE South or any party could comment or request a hearing on terminating the rural exemption pursuant to § 251(f)(1)(B) of the Act, on or before November 4, 1996. The Order further recited that the

Commission, should it determine a hearing to be unnecessary, "will decide the issue based on the pleadings, comments and documents previously submitted."

On November 4, 1996, AT&T Communications of Virginia, Inc. ("AT&T-VA") filed comments not requesting a hearing but urging the Commission to find that, with respect to GTE South's Southwest territory, "continued rural telephone company exemption would not be consistent with the spirit, intent and policies under the Act, and that GTE has failed to carry its burden of proof under the Act" to retain such exemption. Several parties, including the Commission Staff, had previously requested that the Commission consider GTE South's two Virginia operating territories on a unified basis in making its determination as to the Company's qualification as a rural carrier.

In the intervening years, GTE South has not, to our knowledge, exercised its exemption for its Southwest territory from the requirements of § 251(c) of the Act. On the contrary, the Commission has approved numerous interconnection agreements between GTE South and various competitive local exchange carriers that make no attempt to limit the geographic area in which they are effective. We find that GTE South has, by virtue of its voluntary entry into these agreements, demonstrated that such request for interconnection is not unduly economically

burdensome, is technically feasible, and is consistent with
§ 254 of the Act. Accordingly,

IT IS ORDERED THAT:

(1) The rural exemption of GTE South Incorporated in its
Southwest operating territory is terminated pursuant to
§ 251(f)(1)(B) of the Act.

(2) This matter is dismissed.